

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re

CITY OF DETROIT, MICHIGAN,

Debtor.

No. 13-53846

Chapter 9

HON. STEVEN W. RHODES

EXHIBIT 10

**APPELLEE STATE OF MICHIGAN'S DESIGNATION OF
ITEMS TO BE INCLUDED IN THE RECORD ON APPEAL**
in connection with Notice of Appeal filed by Lucinda Darrah
[Dkt. #8812]

Item	Date Filed	Docket Number	Description
10	1/15/2014	2587	Letter Filed by Creditor Lucinda Darrah

Dear Judge Rhodes,

Case #: 13-53846

FILED

2014 JAN 15 A 11:21

U.S. BANKRUPTCY COURT
E.D. MICHIGAN-DETROIT

From what I could hear and read of the Jones Day attorneys closing arguments from the back of the room Monday (and it is difficult for me from that distance), the Jones Day attorney was putting the burden of proof on others, rather than her own law firm which "represents" the city of Detroit as well as the cities adversaries, UBS and Bank of America.

Whose obligation is it to show that the swap deals were illegal? The justice department? the Securities and Exchange? People as far as Germany have complained about the effects of the manipulation of the libor. Baltimore has a class action suit against the banks. People from Scotland and



around the world are sending money to try²
and help Detroiters. Diane Bukowski
has written much on her on-line, Voice of
Detroit.net, about the swaps deals; I
heard about the real estate bubble in 2002,
and the banks that were bundling the mortgages
knew the bubble would burst eventually,
even with their ^{their true forecasts} manipulations; they
misrepresented and put cities under duress
(lower your ^{bond} ratings if you don't). Wikipedia
has 3 categories for "interest rate swap."
fixed ^{interest} (lender) to fixed ^{interest rate} (borrower) and
variable interest rate ^{lender} to variable interest rate ^(borrower)
are used ~~for~~ when you have the same currency;
variable to fixed or fixed to variable
are used when there are two different
currencies. Monday outside the federal
building I spoke to an attorney representing

Bank of America; he said that when you sell something to someone with a different currency you can adjust for devaluations or ~~of~~ increases in the two currencies. ~~He~~

Why did the banks ~~promote~~ promote a business practice that was normally used for international transactions? Before the close of 2013, at least 20 American cities had filed for bankruptcy. After the crash in 2008, the tax payers bailed out the banks, and they also got the benefit of borrowing money from the federal reserve at close to 0% interest. Did they share that benefit with the tax payers that bailed them out? No! So far, did the department of justice or securities exchange help the struggling cities? No! The department of "justice s.c." fined these banks multiple times, and put some of their officers

on probation, rather thanⁱⁿ a cold jail^{converted 4}
with cold concrete floors and no beds^{prison on Mound Rd}
run by the State of Michigan to detain
Detroiters. The help Detroit is getting
from the federal government is \$3 million
dollars to pay Councilperson Shantel
Jenkins husband's ~~business~~^{employer}, Strategic
Staffing Solutions, to provide professional
consultant/contractor services to the Police.
My old hand made sign, "How much would a
Police State Cost or How Much does it?"^{is} is
the only "help" we get from the federal govern-
ment? I remember a Chinese Student telling
me that in China, the government would not
sit back and allow a city to go bankrupt;
they would help.

When I have borrowed money I always wanted a fixed rate, as I remembered how the interest rate went up to 14 % during Carter's term. Nixon ~~overcame~~ froze prices, but people with published prices couldn't raise prices to compensate for their ^{ers} suppliers increases that were unpublished; so he ^{Nixon} stopped the freeze and changed the cost of living formula by swapping mortgages for rents or visa versa, which made things look better for awhile. ~~Then~~ ^{Later} Carter had to take all the blame for high inflation.

So these banks played on this legitimate fear knowing that they have enough clout to get a good bail out for themselves. Did not Geitner go against Obama's order to let Citi Bank go down? Geitner was a former Citi Bank employee... a conflict of interest? like Jones Day representing both sides the city of Detroit and the banks.

Before any decision is rendered by you on this matter, I would urge you not to put the cart before the horse. First we should look at the constitutionality of the new emergency manager law that was passed by a ~~large~~ ^{large} ~~and~~ Michigan legislature session in December 2013, just weeks after the electorate voted to repeal a similar law. If this is illegal, then Kevin Orr and his appointed Jones Day are not the legal representatives of the city.

If Bank of America, UBS, JP Morgan and others have had to pay the government for their illegal practices, we should not borrow from Barclay who has clean hands to pay back UBS and Bank of America, et al who have dirty hands and who could help Detroit by repaying us. If we pay them anything that takes them off the hook, doesn't it?

If the Casino revenues ~~should~~^{would} be
reimposed from US Bank To what
was written into the legislation that the
revenue would go toward improving the
quality of life, this whole justification
for settling with crooks ~~would~~ be to
free up casino revenues, would go
away. If this is an illegal use of public
revenue, let Jones Day work to stop the
transfer to US Bank. These casinos are
one of the causes of our bankruptcy as it
takes money out of the local economy, including
the property taxes, and concentrates it in a
few hands, probably mostly to be invested
elsewhere. Unlike business gambels, this
gambling just transfers money from many to
a few with no increase in standard of living
for the many. Eventually they will go bankrupt
too, like Biloxi sp. Miss.

the appeal

Again, please consider getting ^{and on} rulings on the constitutionality of PA 436, the illegality of ^{the} transfer of Casino revenues to US Bank instead of ^(using them) to maintaining city services, and ^{on} whether or not the banks should be required to reimburse cities for the costs incurred from the swap agreements.

As a federal judge can you ask the dept of justice and SEC to help with this and other similar cases.

Respectfully,

Jurda Durah
in October 2013

P.S. The City Council voted ^{in October 2013} unanimously 9 to 0 to ^{reject} Kevin Orr's order to OK the Barclay Loan to pay off Bank of America and UBS.

Does the state of Michigan Constitution
or laws speak to the ethics of conflict
of interest for people who are supposed
to be serving the public interest?

Conflicts of interests in city and state
matters should be prohibited.

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